

Review Requirements Checklist
INDIVIDUAL ANNUITY

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
General Filing Requirements		
Transmittal Letter	14 VAC 5-100-40	Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14 VAC 5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters, or a combination of both. (Our system limits the number of characters to 20, including spaces, comas, hyphens, etc.)
	14 VAC 5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14 VAC 5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14 VAC 5-100-40 5	Description of market for which the form is intended.
	14 VAC 5-100-40 6	At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a "stamped" copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to, State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and Individual NAIC number of the company for which the filing is made.
Forms		
Form number	14 VAC 5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company Name & Address	14 VAC 5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final form	14 VAC 5-100-50 3	Form must be submitted in the final form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14 VAC 5-100-50 4	Any policy, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If application was previously approved, advise date of approval.)
Type Size	14 VAC 5-100-50 5	Accident and Sickness forms must be printed with type size of at least ten-point type. All other forms must be printed with type size of at least eight-point.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Insurance Code does not define "Insurance Fraud". Any notice regarding insurance fraud is in non-compliance with this section of the Code. Variations in a notice warning of consequences of making fraudulent statements are acceptable. The notice may disclose that it does not apply in Virginia or may disclose states where applicable.
Disclosures		
Important Information Notice	§ 38.2-305 B	Virginia requires the following notice to accompany each new or renewal insurance policy, contract, certificate or evidence of coverage.

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Beneficiary Notice	§ 38.2-305 C	Virginia requires the following notice to be attached or incorporated into the policy whenever the policy contains a beneficiary designation in which the designated beneficiary is the spouse of the policy owner.
Tax Disclaimer	§ 38.2-316 D 2	<p>The following notice should be included in any annuity contract that contains language regarding the Federal Tax Code (IRC Code):</p> <p><i>This plan is intended to qualify under the Internal Revenue Code for tax favored status. Language contained in this policy referring to federal tax statutes or rules is informational and instructional and this language is not subject to approval or disapproval by the state in which the policy is issued for delivery.</i></p> <p><i>Your qualifying status rather than the insurance contract, is the controlling factor as to whether your funds will receive tax favored treatment. Please ask your tax advisor if you have any questions as to whether or not you qualify.</i></p> <p>The notice must be made a part of the contract or printed within the body of the contract.</p>
General Policy Provisions		
Definition	§ 38.2-106	The annuity contract must meet the definition of an annuity.
Misstatement of Age	§ 38.2-508	If the age of the insured is found to be misstated, the amount payable under the policy will equal the amount of premium purchased at the insured's correct age. Any overpayments or underpayments made by the insurer must be credited or refunded appropriately.
Incontestability	§ 38.2-3107	No annuity contract shall be contestable after it has been in force during the lifetime of the insured for two years from its date, except for nonpayment of premiums.
Interest on Proceeds	§ 38.2-3115	<p>If an action to recover proceeds under any annuity contract results in a judgement against the insurer, the legal rate of interest will be paid from the date of presentation of proof of death, or the date of maturity of an endowment policy, to the date that the judgement was entered.</p> <p>If no action is brought against the insurer, interest upon the principal sum will be computed daily at an annual rate of 2 1/2% or at the annual rate currently paid by the insurer on proceeds left under the interest settlement option, whichever is greater.</p>
Loans		
Educational	§ 38.2-3113.3	Educational loan provisions may be included as additional benefits, as part of the contract, or as a rider or as a separate agreement, provided that all of the eligibility qualifications, amount of funds and terms of the loan are specified. Any advertising material used with this type of benefit must be filed and approved by the SCC under § 38.2-316.
Loan Value/Length of Deferment	§ 38.2-3218	The loan value shall be the cash surrender value at the end of the current policy year. The insurer shall have the right to defer a loan for up to six months after an application for the loan is made, except when the loan is made to pay premiums to the insurer.

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Loan Value	§ 38.2-3308	Each annuity contract may contain a provision that after the contract has been in force three policy years at any time, the owner may advance a sum equal to or, at the option of the owner, less than the amount required by § 38.2-3218.
Fixed Interest Rate	§ 38.2-3308 C 1 a	Each annuity contract may contain a policy loan interest rate permitting a maximum fixed rate of not more than 8% per year.
Adjustable Maximum Interest Rate	§ 38.2-3308 C 1 b	Each annuity contract may contain a policy loan interest rate permitting an adjustable maximum interest rate established from time to time by the insurer as permitted by law. The interest rate may not exceed the greater of the Published Monthly Average for the calendar month ending two months before the date on which the rate is determined or the rate used to compute the cash surrender values under the policy plus 1% per year.
Frequency of Interest Rate Determination	§ 38.2-3308 C 4	If the maximum interest rate is determined pursuant to the Published Monthly Average, the policy may contain a provision setting forth the frequency at which the rate is to be determined for that policy.
Indebtedness Not Previously Deducted	§ 38.2-3308 D	The insurer may deduct from the loan value any indebtedness not already deducted in determining the value of any unpaid balance of the premium and any interest that may be allowable on the loan to the end of the current policy year. If interest on the loan is not paid when due, it will be added to the existing loan and bear interest at the same rate.
Nonforfeiture Requirements		
Applicability	§ 38.2-3219	Nonforfeiture Provisions DO NOT apply to group annuities, variable annuities, immediate annuities, deferred annuities after payments have commenced or contracts delivered outside of the Commonwealth.
Paid-Up Annuity Benefit	§ 38.2-3220 A 1	Annuity contracts shall contain a provision indicating that upon cessation of payment of considerations under a contract, the insurer will grant a paid-up annuity benefit on a plan stipulated in the contract.
Cash Surrender Benefit	§ 38.2-3220 A 2	If an annuity contract provides for a lump sum settlement or includes a provision upon which the contract may be surrendered before annuity payments are made, the insurer will pay, instead of a paid-up annuity benefit, a cash surrender benefit. The insurer shall defer the payment of the cash surrender benefit for up to six months after demand for payment with surrender of the contract.
Interest & Table for Guaranteed Benefits	§ 38.2-3220 A 3	Each annuity contract must include a statement of the mortality table and the interest rates used in calculating any minimum paid-up annuity, cash surrender or death benefits that are guaranteed under the contract.
Provision regarding values not less than minimum of state where delivered	§ 38.2-3220 A 4	Each annuity contract shall provide that all paid-up annuity benefits, cash surrender benefits or death benefits available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered.

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Termination – Premiums not received	§ 38.2-3220 B	Each deferred annuity contract may provide that if no considerations have been received under the contract for a period of two full years and the portion of the paid-up annuity benefit at maturity would be less than twenty dollars monthly, the insurer may at its option terminate the contract by payment in cash of the then present value of the portion of the paid-up annuity benefit.
Disclosure of Limited Benefits	§ 38.2-3226	Any contract that does not provide cash surrender benefits or does not provide death benefits at least equal to the minimum nonforfeiture amount before the beginning of any annuity payments must include a statement in the contract that those benefits are not provided.

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at
<http://www.state.va.us/scc/division/boi/webpages/administrativeltrs.htm>

The Life and Health Division, Forms and Rates Section handles individual annuity insurance. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

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I hereby certify that I have reviewed the attached individual annuity filing and determined that it is in compliance with the individual annuity checklist.

Signed: _____

Name (please print): _____

Company Name: _____

Date: _____ Phone No: () _____ FAX No: () _____

E-Mail Address: _____